OFFICE OF THE UNDER SECRETARY OF DEFENSE



3000 DEFENSE PENTAGON WASHINGTON DC 20301-3000

NOV 7, 1997

DEPUTY DIRECTOR (ACQUISITION), DEFENSE LOGISTICS AGENCY

In reply refer to DAR Tracking Number 97-00011

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES

DEPUTY FOR ACQUISITION AND BUSINESS MANAGEMENT,

ASN (RD&A) / ABM

DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE

(CONTRACTING), SAF/AQC

DEPUTY ASSISTANT SECRETARY OF THE ARMY (PROCUREMENT)

SUBJECT: Class Deviation--Mandatory Government Source Inspection

Effective immediately, all military departments and defense agencies shall use the attached language in lieu of the language at Federal Acquisition Regulation (FAR) 46.402, Government contract quality assurance at source. The revised language deletes the mandatory requirements to perform Government contract quality assurance at source when a higher-level contract quality requirement is included in the contract or when supplies requiring inspection are destined for points of embarkation for overseas shipment.

This class deviation stems from initiatives endorsed by the Acting Under Secretary of Defense (Acquisition and Technology) and the Under Secretary of Defense (Comptroller) in recognition of the fact that commercial source acceptance business practices are as effective as those used by the Government, but are less expensive.

This class deviation is approved for a 2-year period ending November 30, 1999, or until the FAR is revised, whichever event occurs first.

Eleanor R. Spector Director, Defense Procurement

Eleanor Spector

Attachment

cc: DSMC, Ft. Belvoir

PART 46--QUALITY ASSURANCE

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46.402 Government contract quality assurance at source.

Agencies shall perform contract quality assurance, including inspection, at source if--

- (a) Performance at any other place would require uneconomical disassembly or destructive testing;
- (b) Considerable loss would result from the manufacture and shipment of unacceptable supplies, or from the delay in making necessary corrections;
- (c) Special required instruments, gauges, or facilities are available only at source;
- (d) Performance at any other place would destroy or require the replacement of costly special packing and packaging;
- (e) A higher level contract quality requirement is included in the contract (see 46.202-4);
- $\frac{(f)}{(e)}$ [(e)] Government inspection during contract performance is essential; [or]
- (g) Supplies requiring inspection are destined for points of embarkation for overseas shipment (unless the contracting officer determines in advance that necessary inspection functions can be provided at such points); or
- $\frac{\text{(h)}}{\text{(f)}}$ It is determined for other reasons to be in the Government's interest.

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